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UNIDO INVOLVEMENT IN MAJOR INTERNATIONAL CONFERENCES

Report by the Director-General

Reports on the implementation of General Conference resolution GC.9/Res.3 concerning UNIDO involvement in the International Conference on Financing for Development and the World Summit on Sustainable Development.

Introduction

1. At its ninth session, the General Conference considered a note by the Director-General on UNIDO involvement in major international conferences (GC.9/14) and adopted resolution GC.9/Res.3 concerning the forthcoming International Conference on Financing for Development and the World Summit on Sustainable Development. In compliance with that resolution, which requested the Director-General to inform Member States of the contribution UNIDO intends to make to both conferences, a briefing for permanent missions on preparations for the two meetings was held on 1 March 2002, during which background material was distributed.

I. INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT Monterrey, Mexico, 18-22 March 2002

Preparatory activities

2. UNIDO followed the preparatory process for the Conference from the beginning, and was actively involved in the meetings of the Preparatory Committee. The main result of the Committee's work was the "Monterrey Consensus" (draft outcome of the Conference).

3. In addition to its overall activities UNIDO presented two specific initiatives responding to two chapters in the draft outcome. The first, on venture capital, was submitted responding to the chapter "Mobilizing international resources for development: foreign direct investment and other private flows", where specifically innovative approaches to mobilize such funds were included. It may be recalled that UNIDO had proposed this initiative originally to the Third United Nations Conference on the Least Developed Countries in 2001. The first partnership with a private sector investor under this initiative was signed in December 2001 during the ninth session of the UNIDO General Conference. The initiative attracted considerable interest from the private sector during a side event to the final Preparatory Committee meeting in January 2002.

4. Under the chapter "International trade as an engine for development", UNIDO presented the initiative "Enabling developing countries to participate in international trade—Strengthening the supply

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capacity". This initiative that had in an initial form also been presented during the Third United Nations Conference on the Least Developed Countries, responds fully to the medium-term programme framework, 2002-2005 (resolution GC.9/Res.2). This initiative, which combines the strengthening and upgrading of productive capacities with the establishment of standards, quality, metrology, accreditation and certification capacities in developing countries, has attracted considerable attention.

Activities during the Conference

5. During the plenary session of the ministerial segment on 18 March, the Director-General delivered a statement covering UNIDO's overall perception of the Conference as well as the two specific UNIDO contributions under the different headings of the agenda (paras. 3 and 4 above). The full text of the statement is available on the UNIDO home page.

6. UNIDO also participated in one of the ministerial roundtables on 19 March with the theme "Partnerships in financing for development". The main subject of the UNIDO intervention concerned the venture capital initiative where UNIDO intends to work together with private venture capital investors in order to channel private equity capital to small and medium enterprises in Africa.

7. UNIDO and the European Commission jointly organized a side event on "Enabling developing countries to participate in international trade—Strengthening the supply capacity". Co-chaired by the European Union Commissioner for Development, the Minister for Economic Development of Burkina Faso and the Director-General of UNIDO, and attended by some 75 participants, the event presented the problem of technical barriers to trade and the urgent need to assist developing countries. A UNIDO strategy document on the subject (available on the UNIDO home page) was also presented, and the Director-General announced the creation of a trust fund as described in the strategy document, with a UNIDO contribution of $1 million. During the side event, the representative of one Member State announced that a contribution would be made to the trust fund.

8. UNIDO also took part, as a co-speaker, in a dialogue under the Business Forum related to a proposal made by the business entities entitled "Incubating the culture of venture capital". The UNIDO initiative presented was well received, also in view of the fact that it had actually started operations.

9. Finally, several other side events were attended by the UNIDO delegation, and a number of bilateral meetings were held, mainly in relation to the two initiatives.

10. Overall, the Conference resulted in the Monterrey Consensus, a shared vision of the overall importance and complexity of the issue of financing for development. The Consensus, as well as the Conference debates, underlined the perception that the main source of financing for development, in the long term, has to come from increased production in developing countries and through trade. Furthermore, the Conference was an important catalyst for decisions on increased official development assistance (ODA) from the United States of America ($5 billion over the next three years and thenceforth the same amount annually), and the European Union (an increase by 2006 of ODA to 0.39 per cent of GNP, or almost $8 billion per year).

UNIDO follow-up envisaged

11. In UNIDO, the immediate follow-up to the Conference will be mainly to approach potential donor Governments in respect of the overall strategy and possible contributions to the trust fund. Contacts initiated during the Conference will be followed up intensively. Moreover, the already close cooperation with the European Commission on "Enabling developing countries to participate in international trade" will be pursued with a view to developing further joint programmes for Commission funding. Similarly, the development of the venture capital initiative will be pursued as the discussions during the Conference further confirmed its relevance and importance.

II. WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT
Johannesburg, South Africa,
26 August - 4 September 2002

12. In line with resolution GC.9/Res.3 of the General Conference, the Organization has continued its active involvement in the preparatory process for the World Summit on Sustainable Development.

13. UNIDO has supported the preparation of 18 national overview reports on the contribution of industry to sustainable development and on programmes that are facilitating the transfer of environmentally sound technology. These reports are intended as inputs into the national assessments that the States are preparing for the Summit and as examples for other countries on how they could report on the industrial dimension of sustainable development.

14. UNIDO has been involved in the preparation of a regional overview on the contribution of industry to sustainable development for the African region (ECA) and cooperated with UNEP in the preparation of similar reports for Asia and the Pacific (ESCAP), Latin America and the Caribbean (ECLAC) and Western Asia (ESCWA).

15. Participating in the sessions of the Preparatory Committee for the Summit, UNIDO applied a twofold strategy:

- Seek to influence the negotiated text in such a way that it reflects the role of industrial development for sustainable development and recognizes the value of UNIDO services with a view to strengthening the role of the Organization in the interplay of multilateral development cooperation. To that end, UNIDO intervened in the general debate, consulted with delegations of the countries for which UNIDO has commissioned national experts to explore the contribution of industry to sustainable development, participated in the elaboration of a collection of proposals for future action, mounted an exhibition stand and distributed material (brochure "Finding common ground", fact sheets on UNIDO's work on multilateral environmental instruments and "Developing countries' industrial source book");

- Develop the UNIDO initiative on technology transfer ("Assessing needs—promoting action") and other initiatives in the area of energy and solid waste to catalyze action in the real world.

16. In the context of the World Summit on Sustainable Development, the state of international cooperation on technology transfer will be a high priority topic. The unsatisfactory progress on this issue is expected to be deplored.

17. UNIDO's mandate is uniquely suited for a key role on technology transfer. Moreover, there is no other lead agency in the system that coordinates United Nations efforts in the area of technology transfer.

18. Against this background, and together with other suitable players (international organizations, business NGOs, private business, interested Governments, academia), UNIDO is mobilizing a special effort to assess needs in the area of technology transfer and to promote action. This initiative—to be launched by the Director-General at Johannesburg—would combine high quality assessments with a global, regional and sectoral outreach effort. The outreach effort would publicize UNIDO's role in the initiative and build multi-stake-holder alliances that would promote action to address the needs identified.

19. UNIDO has commissioned papers reviewing technology needs assessment methodologies and will keep Member States informed about the formulation of the overall framework of the technology transfer initiative.

III. ACTION REQUIRED OF THE BOARD

20. The Board may wish to take note of the information provided in the present document.